

**701—33.5(423) Taxation of American Indians.****33.5(1) Definitions.**

*“American Indians”* means all persons of Indian descent who are members of any recognized tribe.

*“Settlement”* means all lands within the boundaries of the Mesquakie Indian settlement located in Tama County, Iowa, and any other recognized Indian settlement or reservation within the boundaries of the state of Iowa.

**33.5(2) Use tax.** Out-of-state purchases made by Indians which are purchased for use on a recognized settlement or reservation where delivery occurs on a recognized settlement or reservation to Indians who are members of the tribe located on that settlement or reservation are exempt from tax. Out-of-state purchases made by Indians where delivery occurs off a recognized settlement or reservation are subject to tax even though purchased for use on a recognized settlement or reservation.

**33.5(3) Use tax—vehicles subject to registration.** Vehicles subject to registration with county treasurers are exempt from use tax if delivery of the vehicle is made on a recognized settlement or reservation to Indians who are members of the tribe located on that settlement or reservation. Vehicles subject to registration with county treasurers are subject to use tax if delivery of the vehicle is made off a recognized settlement or reservation.

See rule 701—18.31(422,423) for the taxation of tangible personal property and services where the state sales tax may be applicable.

This rule is intended to implement Iowa Code sections 423.1, 423.2, and 423.7.